2004-05 and the premium charged by United India Insurance Company for the year 2003-04 for the same risk is only marginal and not to the extent as indicated by TAC.

**Inflation rate**

†2813. SHRI RAM JETHMALANI:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the average rate of inflation has been 6.5 per cent in the 52 weeks before 29th January, 2005;

(b) if not, the facts in this regard;

(c) whether it is also a fact that the said rate of inflation is not only higher than the last year's rate but also is more than the target set during above period;

(d) if so, the facts in this regard; and

(e) what would be the effect of this increase in the rate of inflation on the economy of the country in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Yes, Sir. The 52 week average rate of inflation was 6.5 per cent as on January 29, 2005. The said rate of inflation was higher than the average rate at 5.5 per cent on the corresponding date in 2003-04, but was the same as the revised inflation projection at 6.5 per cent by the Reserve Bank of India for the year 2004-05 as announced in their Mid-Year Review of credit policy on 26th October, 2004. However, as indicated in Table below, the average inflation rate declined marginally to 6.4 per cent as on 5th February, 2005 and remained at the same level during the year 2004-05.

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†Original notice of the question was received in Hindi.

**Table**

*52- week average inflation rate in terms of the Wholesale Price Index (in per cent)*

| Date | 2003-04 | 2004-05 |
|---|---|---|
| 27- Nov. 04 | 5.1 | 6.5 |
| 4- Dec. 04 | 5.2 | 6.5 |
| 11- Dec. 04 | 5.2 | 6.5 |
| 18- Dec. 04 | 5.3 | 6.5 |
| 1- Jan. 05 | 5.4 | 6.5 |
| 8- Jan. 05 | 5.4 | 6.5 |
| 15- Jan. 05 | 5.5 | 6.5 |
| 22- Jan. 05 | 5.5 | 6.5 |
| 29- Nov. 04 | 5.5 | 6.5 |
| 5- Feb. 05 | 5.5 | 6.4 |
| 12- Feb. 05 | 5.5 | 6.4 |
| 19- Feb. 05 | 5.5 | 6.4 |
| 26- Feb. 05 | 5.5 | 6.4 |
| 5- Mar. 05 | 5.5 | 6.4 |
| 12-Mar. 05 | 5.5 | 6.4 |
| 19- Mar. 05 | 5.5 | 6.4 |
| 26- Mar. 05 | 5.4 | 6.4 |

(e) Although the rate of inflation in India has remained consistently moderate in the last few years, containment of inflation remains high on the agenda of the Government. High inflation rates hurt everybody particularly the poor whose incomes are not indexed to prices. High inflation puts pressure on interest rates leading to a rise in project costs and investment. It also tends to reduce real interest rates thereby adversely affecting the savings rate. Anti inflationary policies of the Government include strict fiscal and monetary discipline, rationalisation of excise and import duties of essential commodities so that there is no undue burden on the poor, effective supply-demand management of sensitive items through liberal tariff and trade policies, and strengthening the public distribution system.

**Unclaimed bank deposits**

2814. SHRI JESUDASU SEELAM:
DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether according to his Ministry an amount of Rs. 291.87 crores is lying with the 19 Nationalised Banks in the country as unclaimed deposits as on December 31, 2003;